GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5114
ANSWERED ON:26.04.2002
RETAINING OF EXCESS MONEY
ARUN KUMAR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the C&AG in its Report 4 of 2000 (Civil) in paragraph 3.2 brought out the fact of retaining cash in current account much in excess of requirement than in fixed deposit resulted into loss of interest of Rs. 29.95 lakh;

(b) whether the Government tried to while away the audit observations but the audit did not accept the same;

(c) if so, the present status of the matter;

(d) the action taken in the matter including fixing the responsibility and accountability of the persons concerned for keeping money in current account for long without any utility than in the savings account / fixed deposit; and

(e) the measures taken or instructions issued in this behalf to check loss of interest?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) : Yes Sir. However, the figure indicated against loss of interest should be read as Rs. 25.95 lakhs.

(b) to (e): The Government had examined in detail the audit observations and submitted the action taken report to the Principal Director of Audit for vetting on 13.9.2000 and the final ATN duly vetted by Audit, was submitted on 12.4.2001. The reply pointed out that the rule laid down by Ministry of External Affairs (MEA) for bi-monthly remittances did not apply to Tea Board`s overseas offices. Therefore, the assessment of excess cash balance by audit for the office of the Tea Board was not valid. Necessary instructions have been given to all the overseas offices of the Tea Board for investing surplus funds and reviewing cash balances from time to time as per their office and promotional requirements. Since no rule has been breached, no action has been taken against any individual.